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Labor & Workforce Development Agency

FOR IMMEDIATE RELEASE

February 28, 2007

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U.S. Gypsum Company to Build New Wallboard Plant in Stockton, California

Sacramento, February 28, 2007 – The Labor and Workforce Development Agency's (LWDA) California Business Investment Services (CalBIS) unit, working in conjunction with the San Joaquin Partnership, announced United States Gypsum's (USG) plans to expand their presence to the Port of Stockton by construction of a new wallboard plant.

"USG's decision to build a new plant in our state shows that manufacturing companies can thrive in California, and at the same time, demonstrate environmental stewardship," said California Governor Arnold Schwarzenegger. "We welcome companies such as USG that offer high quality manufacturing jobs and environmentally sensitive manufacturing processes."

USG's \$220 million wallboard plant is expected to begin operations in 2010. In addition, USG will apply environmentally sensitive applications, for example, using 100% recycled paper and recycling all of its production waste.

Located in northern California, approximately 90 miles from major markets such as Oakland and San Francisco, the new plant is designed to operate the world's largest wallboard manufacturing line, with the capacity to produce approximately one billion square feet of SHEETROCK® brand wallboard annually. The facility will be built on a 90-acre site at the Port of Stockton, and employ about 150 people. Construction of the new plant is scheduled to begin after necessary permits have been issued, with completion expected in the first half of 2010.

Commenting on the selection of the Stockton site, James S. Metcalf, president and chief operating officer of USG Corporation, said, "We carefully considered other potential locations in California and outside the state. The City of Stockton, the Port's management and California Business Investment Services (CalBIS) worked effectively together with the San Joaquin Partnership to offer a very competitive incentive package that made this capital investment possible."

The Labor and Workforce Development Agency's CalBIS unit serves employers, corporate real estate executives, and site location consultants considering California for new business investment and expansion. The LWDA is committed to ensuring that California businesses have a level playing field upon which to compete and that our workforce has the skills necessary to keep the Golden State an economic leader. For more information on CalBIS, please call 916.322.0000 or visit the web site at www.labor.ca.gov/calbis

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